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THE WHITE HOUSE
WASHINGTON

May 15, 1964

MR. PRESIDENT:

You may want this report before the noon meeting with the Leadership and the NSC.

Dave Bell reports that he talked to Doc Morgan yesterday about the supplemental for Vietnam. Morgan was at first a little startled because he has been resisting pressure from Broomfield to suspend the mark-up of the bill until McNamara could be called to testify. But on reflection Morgan appeared quite willing to have the supplemental sent up on Monday and to adjust his own schedule to match.

McG. B.

McG. B.

May 15, 1964

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McG. B.

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May 15, 1964

MEMORANDUM FOR THE PRESIDENT

Attached at Tab A is Chancellor Erhard's latest letter to you. At Tab B is your letter of March 4 to the Chancellor. Your note of April 22 which Sargent Shriver hand-carried to Bonn is at Tab C. The Chancellor's letter is essentially a paragraph by paragraph answer to your March message.

Erhard is forthcoming on Vietnam and Cuba. On the latter he promises to hold German trade with Castro at the lowest level that is legally possible and to bar export guarantees of any sort from the government.

On the military offset arrangements, the Chancellor makes no flat commitment, but McNamara has hit him again on this one and we think it is now clear to the Germans that we mean what we say about the unpublicized but clear connection between offset arrangements and the level of our forces in Germany.

But what is most important in this letter is the Chancellor's discussion of a reunification initiative, on page 3. This is something he has also raised energetically with McGhee. His view is that some new initiative on reunification is an extremely political issue for his government and he wants and expects allied support. He obviously feels under heavy pressure from the Adenauer-Strauss wing of his party, and his argument is that the German public "expects the West to take steps on the question of Germany."

This is a matter which has been under rather desultory treatment in the 4-Power Ambassadorial group here in Washington for several months. It has been discussed by Dean Rusk at The Hague, with French, German and British Foreign Ministers, and I think you will want to ask Rusk for his up to date report at lunch, if he has not touched on the matter earlier at the NSC meeting.

McG. B.

May 15, 1964

MR. PRESIDENT:

I have been meaning to talk over this letter from Chancellor Erhard with you, and I now think you may want to read it over before you see Dean Rusk at lunch today.

McG. B.

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~~SECRET~~

May 15, 1964

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MEMORANDUM TO THE PRESIDENT

SUBJECT: Joint Meeting of the Bipartisan Leaders and the National Security Council at 12:00 noon today

Jack Valenti and I have worked out an attendance sheet which is attached at Tab A. The one change from yesterday is that we have added Mahon, Jensen (Iowa, senior Republican on the House Appropriations Committee), and Passman, in the light of your discussions with Mahon and Passman yesterday.

Conceivably you may wish to begin by asking Senator Fulbright to comment on his trip to Greece and Turkey -- alternatively, you may want to let that one wait until lunch, which he will be attending. You may then want to ask Secretary Rusk to describe his visits to Brussels and The Hague for the NATO meetings. This I think will be short, and then you may wish to turn to Secretary McNamara and General Taylor for a report on Vietnam.

You will know better than I how far you wish to go in the discussion of further aid to Vietnam after the Secretary's report. Bob McNamara, I believe, still holds firm to his belief that we need \$76 million for economic aid and about \$50 million on the military side. David Bell and Kermit Gordon are much more doubtful, and Gordon asks me to report that a supplemental in this amount would probably take you past your budget ceiling. Forrestal reports from Saigon that the \$76 million which Oanh (the Economic Vice Premier) has asked for is a bargaining figure. So there is a sharp issue between McNamara's conviction that this is a psychologically essential figure and the advice of those closer to the economic problems. I doubt if you will wish to decide it in front of the Leadership, or even mention figures that may preclude further discussion.*

There is of course no division within the Government that enlarged aid to Vietnam is necessary. Bell and Gordon are worried about the impact of this supplemental on the Aid bill as a whole, but they both agree that your judgment is better than theirs on this matter.

McG. B.

*I have given Bob your message and he will name no figures.

~~SECRET~~

DECLASSIFIED

Authority NSC ltr 7/27/77
By MMQ, NARS, Date 8/8/77

**ATTENDANCE LIST FOR THE 532nd JWC MEETING
MAY 1, 1964, AT 12:00 NOON IN THE CABINET ROOM
OF THE WHITE HOUSE**

23a

The President of the United States, Presiding

Speaker of the House of Representatives

AID

David Bell, Director

ATTORNEY GENERAL

Robert F. Kennedy

CIA

John A. McCone, Director

DEFENSE

Robert S. McNamara, Secretary

JCS

General Maxwell D. Taylor, USA, Chairman

OEP

Edward A. McDermott, Director

STATE

Dean Rusk, Secretary
George Ball, Under Secretary

USIA

Carl T. Rowan, Director

WHITE HOUSE

McGeorge Bundy, Special Assistant to the President
George Reedy, Press Secretary to the President
Lawrence O'Brien, Special Assistant to the President
Bromley Smith, Executive Secretary, National Security Council

236
May 14, 1964

COPY

MEMORANDUM TO THE PRESIDENT

FROM: Larry O'Brien

The following have been invited to attend the
NSC meeting tomorrow noon -- all have been told
to come in via the Southwest Gate:

Speaker John W. McCormack
Senator Carl Hayden
Senator Mike Mansfield
Senator Hubert H. Humphrey
Senator J. W. Fulbright
Senator George A. Smathers
Senator Everett M. Dirksen
Senator Thomas H. Kuchel
Senator Bourke B. Hickenlooper
Senator Leverett Saltonstall

Congressman Hale Boggs
Congressman Carl Vinson
Congressman Thomas E. Morgan
Congressman Leslie C. Arends
Congresswoman Frances P. Bolton

(Invited, but unable to attend:)

Congressman Carl Albert (in Oklahoma)
Congressman Charles Halleck (out of town)
Senator Richard B. Russell (will be in Georgia)

May 15, 1964

24
5

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McG. B.

May 15, 1964

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11

Mr. President:

Since you were out with Rockefeller while the Secretary of State was reporting this morning, I think you may be interested in the attached reporting telegram which covers the essence of what he said to the Leadership, but in somewhat more forceful language.

McG. B.

~~SECRET~~-attachment

May 15, 1964

MEMORANDUM FOR THE PRESIDENT

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McG. B.

XEROX FROM QUICK COPY

COPI
Lyndon B. Johnson Library

27 ✓

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

May 15, 1964

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DECLASSIFIED

Authority NSC ltr 7/27/77
By mmg, NARS, Date 8/18/92

27a

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ATTENDANCE LIST FOR THE 532nd NSC MEETING
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May 14, 1964

C O P Y

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(Invited, but unable to attend:)

Congressman Carl Albert (in Oklahoma)
Congressman Charles Halleck (out of town)
Senator Richard B. Russell (will be in Georgia)

THE WHITE HOUSE
WASHINGTON

Mr. Roberts;
P. the President
at some quiet moment

file
—

THE WHITE HOUSE
WASHINGTON

May 14, 1964

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Scorecard on Foreign Guests

I get such a needle from you on this subject that I thought you might be interested in records provided to me from the Appointments Office with respect to all the foreigners for whose visits I am responsible over the 12-week period from February 11 to May 5.

The official records show that in that 12-week period you averaged 32 minutes a week with people who are my fault. At Tab A is the memorandum which led you to agree on February 12 to an hour a week. So you see how extraordinarily restrained we have been.

What this means, of course, is that under the terms of our treaty you may be hit at any moment by five hours and 33 minutes of accumulated overdue visitors from nearly everywhere. But I am much too kind for that, and the truth is that we can keep up our good work in limiting your foreign callers to four classes:

1. Kings, Presidents and Prime Ministers you personally approve for official visits (like Erhard, Home, Segni, Pearson, Lopez Mateos).

2. Others who cannot be excluded from an office call by all the traditions of protocol: this means Ambassadors presenting their credentials and Heads of State or Government visiting Washington.

3. Foreign visitors whose time with you really makes some difference to you, in your job as President.

4. U. S. Ambassadors and other U.S. dignitaries dealing with foreign affairs, who generally need little more than a picture. This fourth class can be cut back further if you wish it, but I myself think the better course is simply to be careful which ones we ask and to choose people who really can gain from some contact with you, like the Assistant Secretaries of whom you spoke this morning. For them I am planning a meeting in a format which will be presented for your approval in a day or so.

McG. B.
McG. B.

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Foreign Appointments - February 11-May 5

February 11 Ambassadors of Dominican Republic, Libya,
Sweden, Peru - presented credentials at
Diplomatic Reception

March 2
 5:10-5:18 The Harold Wilsons

March 6
 11:15-11:30 Foreign Minister Kyprianous of Cyprus

March 6
 5:20-6:15 Mexico-US Interparliamentary group
 10:42-11:18 Reception for above

March 11
 12:20-12:35 H. E. Miguel Rubeiro-Ambassador of Ghana

March 16
 11:50-12 H. E. Hernan Corrales Padilla - present credentials

March 17
 10:20-10:25 Capt. Terence M. O'Neill - PM of Northern Ireland
 11:11-11:20 H. E. Thomas J. Kiernan-Amb. of Ireland
 11:40-11:55 H.E. Halvard Lange, Norwegian FM

March 24
 12:08-12:37 Amb. Alphand
 4:43-5:10 Gaston Defferre

April 3
 5-6 NATO Ambassadors

April 8

12:50-1:05 Ambassadors of Portugal, Tunisia, Haiti, Kenya
Iraq, Burundi to present credentials

April 9

12:50-1:03 H. E. Shigeru Yoshida PM of Japan

1:04-1:10 H. E. Dussoon Choi - PM of Korea

April 15

11:33-12:00 Hon. Brian E. Talboys, New Zealand

April 17

12:45-12:55 Argentine Senators

12:56-1:10 Met in office with representatives of above group

1:13-2:05 Amb. Dobrynin

April 21

5:45-6:18 H. E. Romulo Betancourt

April 27

11:06-11:23 Indira Gandhi

5:30-5:51 Eric Williams - Tobago

April 29

10:50-11:05 R. A. Butler

11:20-11:28 CENTO Foreign Ministers

11:36-11:40 FM Erkin

THE WHITE HOUSE
WASHINGTON

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February 11 - May 5

March	2	8 min.
	6	15
	6	55
	6	36
	11	10
	16	10
	17	5
	17	9
	17	15
	24	29
	24	27
April	8	15
	9	13
	9	6
	15	27
	17	10
	17	14
	21	18
	27	17
	27	21
	29	8
April	29	15
	29	4

6 hours 27 min.

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An hour a week is all right.

LBJ/mjdr
Feb 12, 1964
9:05 a. m.

February

You have a Diplomatic Reception tonight (Feb. 11). You have Home (Feb. 12-13). You have Lopez Mateos in California (Feb. 21-22).

In addition you have spent one-half hour with Stikker (Feb. 5) and 15 minutes with Santamaria (Feb. 10).

2. Recommendations

November and December were excellent. January was fair. February will be better if the Home and Lopez Mateos meetings are good. But we are now heading for some trouble -- not a lot but some -- if we do not make a good plan for future procedure. We get no credit now for what we did in November.

My first recommendation is that from now on we schedule foreign visits of heads of governments with great restraint, and only where there is a really strong reason for them. I think this may mean one a month between now and July, and none thereafter until the election, except for an emergency.

My second recommendation is that proposals for office visitors other than those you seek out yourself should all be channeled through my office. The record of your visitors in the last ten weeks shows a mixed bag, and I think your time can be used better if we screen the requests here. They have come in to you from all around town and through many different doors, and I think one member of your staff should have ~~the~~ duty on this -- except for your own desires.

My third recommendation is that you give us a guideline on the amount of time you will give to such visitors and order us to keep within it. My own recommendation would be two hours a week, but I'll be glad to see if we can do it with an average of one hour a week if you prefer.

My fourth recommendation is that you should authorize some one man -- O'Donnell or Moyers ? -- to schedule these appointments ahead -- always with your approval in doubtful cases. Half the value of these visits is to have them known ahead of time, and to be able to plan them clearly. If foreigners are unable to know whether they can see you until the last minute, they have a hard time making plans, and the risk of grumbling is increased. It is better for you to see an occasional unwelcome visitor than to have every applicant in doubt.

If you hold us to either one or two hours a week, and agree to see foreigners within these limits, I think we can plan these visits in a way that will be a pleasure for you and a real political advantage, rather than a constant source of annoyance.

McG. B.

McG. B.

THE WHITE HOUSE
WASHINGTON

May 13, 1964

MEMORANDUM FOR THE PRESIDENT

We have now heard from President Macapagal that he does not feel able to come in July. What has happened is that a leak on his visit in Manila caused some domestic criticism because Macapagal has already taken more trips in the last three years than any of his predecessors. We rather think that he wants to put it off and come to the United States in the summer or early fall of 1965 just before his own elections, and as far as we can tell, there is no anti-U. S. implication in this decision.

McG

McG. B.

THE WHITE HOUSE
WASHINGTON

May 13, 1964

MEMORANDUM FOR

THE PRESIDENT

You may want to have it in the back of your mind that a most important Presidential election is coming in September in Chile. The attached memorandum from Tom Mann to the Secretary of State gives the background on this one. In essence, the problem we face is that a very popular and attractive candidate named Allende, who has thrown in his lot with the Communists, has more than a fighting chance to win. We have a coordinated Government-wide program of action to strengthen his opponent and support actions in Chile which will work to the advantage of those now in power. It is a highly fluid situation and one in which there may have to be further action as we get into the summer. I have been very much encouraged by the determination and unity which all Departments of the Government are showing on this one, and we will be watching it very closely, but I do think you ought to know about it yourself.

McG. B.

McG. B.

~~TOP SECRET ATTACHMENT~~

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 99-37
By ia, NARA Date 1-11-00

~~TOP SECRET~~

May 1, 1964

TO: The Secretary

THROUGH: S/S

FROM: ARA - Mr. Mann

SUBJECT: Presidential Election in Chile

SANITIZED
E.O. 12958, Sec. 3.6
NLJ 99-36
By SJ, NARA Date 7-6-01

This memorandum will inform you of the status of the presidential race and indicate US Government activity concerning this important election.

Situation

On September 4, two months before our own elections, a critical presidential election is scheduled in Chile. The two leading candidates are Salvador Allende, an avowed Marxist leader of a Communist-Socialist coalition, and Eduardo Frei. Frei heads the Christian Democratic Party, a somewhat left of center reform party close to the Catholic Church. In the 1958 election Allende came within 32,000 votes of winning a plurality and becoming president.

At this point in the campaign, most observers rate Frei slightly ahead, but the race will be extremely close and many things could happen in the four months before the election. The democratic forces are presently split, with Radical party candidate Julio Duran back in the race after the results of a congressional bi-election in March shattered his coalition of rightist parties and indicated he stood almost no chance of being elected. Also working against Frei is a Chilean tolerance for native Communists, who have long been on the public scene, and a long-standing anti-clerical feeling which hurts the Church-identified Christian Democrats.

Discussion of U. S. Action Program

Clearly, the September election will be determined by factors which are deeply rooted in the political, economic, and social fabric of the Chilean scene and by the campaign abilities of the major contenders. Given the consequences, however, if this major Latin American nation should become the first country in the hemisphere to freely choose an avowed Marxist as its elected president, the Department, CIA, and other agencies have embarked on a major campaign to prevent Allende's election and to support Frei, the only candidate who has a chance of beating him. Chief elements in this campaign are the following:

~~TOP SECRET~~

1) Providing covert assistance through secret CIA channels to Frei's campaign chest and for other anti-Allende campaign uses.

[REDACTED]

3.4(b)(1)(6)

2) Providing AID loans in CY 64 amounting to approximately \$70 million, principally in program budget loans to maintain the level of the government investment budget, thereby keeping the economy as a whole active and unemployment low. \$60 million of this aid has already been extended.

3) Examining means to alleviate the rising cost of living through efforts to increase the supply and lower the price of major foods. We are making available \$20 million of PL 480, almost half of which is wheat. In addition, we are reviewing our on-going PL 480 Title III food distribution program through voluntary organizations to expand it wherever possible; the current FY 64 program costs \$12.5 million and touches an estimated 2 million people, 1/4 of Chile's population.

4) Assisting U.S. business groups with information and advice through David Rockefeller's Business Group for Latin America -- a blue ribbon group of American companies in Latin America -- in their support of a Chilean business group helping Frei and attempting to hold down prices.

5) Organizing a political action and propaganda campaign through CIA contacts in coordination with or parallel to Frei's campaign. This includes voter registration drives, propaganda, person-to-person campaigning in the cities and rural areas, and arrangements to provide some [REDACTED] organizers to Frei as advisers on campaign techniques.

3.4(b)(1)(6)

6) Encouraging the GOC and IMF to avoid rupturing their stand-by stabilization agreement, a break which would have damaging financial and psychological consequences. An IMF team presently is completing a review in Chile, and a Chilean team sent by President Alessandri will arrive in Washington on May 4 for discussions with the Department.

7) Attempting discreetly through normal U.S. contacts with the non-political Chilean military and police to encourage their rising awareness of the subversion which would take place under an Allende government.

8) Continuing USIA placement in Chile of unattributed material, giving special care to low-keyed efforts which do not expose U.S. Government involvement.

9) Encouraging, through covert ties and private U.S. organizations, effective anti-Allende efforts by Chilean organizations including the [redacted] and other [redacted] 3.4(b)(1)(6) influential bodies, such as the [redacted]

We are attempting to insure that extraordinary caution is observed in this action campaign to conceal official U.S. government interest, and we have rejected several ideas which have seemed to entail undue risks or excessive American involvement.

PERSONNEL

I plan to strengthen our Embassy in Chile in the four months prior to the election by adding to the present staff there next week a top-ranking political officer with an excellent record on the Cuban desk, Robert Hurwitch.

I also plan to raise with Ambassador Cole, who recently arrived in the U.S. by ship on two months' leave from post, the desirability of interrupting his vacation to return to Chile soon for a ten-day period. I am aware of the background concerning his two months' leave, but I am concerned about possible reactions in Chile and the U.S. to so long an absence in relation to this critical election.

ARA/EC:WTDentzer:eel

May 13, 1964

MEMORANDUM FOR THE PRESIDENT:

The Kennedy Oral History people have asked me again to check with you and see whether you could find any spare time to be interviewed by some qualified interrogator of your own choice on the history of recent years. You may well prefer to wait until you can do this in your own way for your own library, but no one with a concern for the history of the Kennedy Administration could possibly fail to see if you were interested.

One most important question would be the choice of an interviewer, and you may find a man who suited you from among such possibilities as the following: William S. White; Eric Goldman (who is already doing other interviews for the project); Bill Moyers; Doug Cater; J. Frank Dobie; or Dr. David Olson of the University of Texas (who is interviewing Governor Connolly).

A similar invitation is warmly offered to Mrs. Johnson, and in her case perhaps the ideal interviewer would be Liz Carpenter.

Any interview you or Mrs. Johnson might grant would of course be restricted under whatever terms you should specify for however many years or decades you should wish. And if you preferred to do it this way, the originals of the interview might be held for your own Presidential library, and only selected parts put in the Kennedy Library.

In other words, this entire project is designed to give the man who is being interviewed an opportunity to speak to history in his own way and on his own terms, and it would be an honor for the Kennedy Oral History to have a chance to give you that opportunity now if you want it.

I will check back with you on this after a while.

McG. B.

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THE WHITE HOUSE

WASHINGTON

May 13, 1964

MEMORANDUM FOR THE PRESIDENT

Re: Determination to grant military aid to Burma

This bulky file involves allowing the use of just over \$1.2 million to military assistance to Burma under conditions which require a determination signed by you. I have reviewed the whole file, and while the case is not open and shut, I believe the recommendation is right. While in formal terms the Burmese have not done what is normally required, they would certainly interpret a failure to go forward on our part as a breach of faith, and the costs to us in Southeast Asian political terms would be substantially more than \$1 million worth of military equipment. Moreover, while Burmese neutrality under Ne Win leaves a great deal to be desired, it is angelic when compared to some other people we have to put up with.

If you approve, all that is needed is your signature on the paper under the tab.

McG. B.

McG. B.

~~SECRET~~ ATTACHMENT

THE WHITE HOUSE
WASHINGTON

May 13, 1964

MEMORANDUM FOR THE PRESIDENT

I enclose two memoranda submitted to me by AID in accordance with the arrangements I reported last week. At Tab A is a report on progress made in committing available funds. At Tab B is a paper showing specific actions taken to insure that expenditures take effect in Fiscal 64. The AID people are quite nervous about this second paper because they fear that Passman may find out about it and accuse us of cooking the books. But they understand clearly that we want to keep at it, and there will be further reports fortnightly.

McG. B.
McG. B.

*File 33
I have read
LBJ 5/13*

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON

OFFICE OF
THE ADMINISTRATOR

MAY 7 1964

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Use of Foreign Aid Funds

- This memorandum reports on
- progress in committing funds available in the present fiscal year
 - progress in expending funds previously committed and in the pipeline

We are making satisfactory progress in committing funds available in fiscal year 1964. Our latest estimates are that, excluding the Contingency Fund, which is drawn on only to meet extraordinary situations, we expect to commit more than 97 per cent of the available funds for both military and economic aid. Commitments to date, while slow as always, reflecting the late date of Congressional action, are in most cases ahead of last year at this time.

	Funds Available	Commitments thus far (latest data)	Per cent	Anticipated Commitments by June 30	Per cent
Military Aid	1200.0	962.6	80.2	1175.0	97.9
Economic Aid	2145.0	1343.6	62.6	2075.0	96.7
Contingency Fund	127.9	7.9	6.2	?	?

(Note: Above figures assume \$50 million transfer from Contingency Fund to Military Aid)

With respect to military aid, as you know, total funds available are short of minimum requirements. We are proposing an initial transfer of \$50 million from the Contingency Fund to military aid, (papers are on their way to you now), and are considering the possibility of an additional transfer later this month.

The only military aid funds expected to be uncommitted as of June 30th are the small residual amounts left in the various sub-accounts in Washington and the field. These usually total around \$25 million.

DECLASSIFIED
 Authority AID letter MAY 23 1978
 By if, NARS, Date 6-2-79

With respect to economic aid, our record on uncommitted balances is expected to be much more impressive this year than last. The most striking change relates to Development Loans, outside of Latin America, where the last fiscal year ended with \$96 million uncommitted. This year, we expect to commit all available funds, (including the \$96 million carried forward from last year), and to have a number of projects on hand and fully reviewed on June 30 for which funds will not be available till next fiscal year.

As in the case of military aid, we expect to have small residual amounts remaining on June 30 in various economic aid sub-accounts. These usually total around \$25 million or one per cent of available funds.

Apart from these, the only uncommitted economic aid funds are expected to be in the Alliance for Progress loan funds, where we may have up to \$50 million uncommitted as of June 30, depending on developments in Brazil. We have a solid argument with which to defend this fact before the Congress: we are properly holding to high standards of self-help on the part of Latin American countries, and during the current fiscal year this has required program restrictions, particularly in Argentina and Brazil.

With respect to the Contingency Fund, there is of course no plan for full commitment. About \$22 million has been authorized thus far and another \$25 million seems likely to be committed for normal uses. A transfer of \$50 million is now assumed. As of today, therefore, the uncommitted balance is estimated at about \$80 million, less whatever further amount may be transferred to military aid.

We are also making good progress in expending obligated balances. The "pipeline" of unexpended commitments as of June 30, 1963 was \$6,369 million. Two-fifths of the pipeline represented loans in process of being drawn down as projects are completed. Another two-fifths represented military assistance orders in process of production and delivery.

During the present fiscal year we expect expenditures to exceed new commitments in all categories except Alliance loans. Therefore, we expect a drop of more than \$300 million in the pipeline of unexpended commitments by June 30, 1964.

During the last three or four years the assistance pipeline has increased sharply, but the entire increase has been in undisbursed loans. We have checked our experience with that at the World Bank and the Export-Import Bank and our record is just about the same as theirs. An agency which starts making development loans, as this one did on a large scale three or four years ago, must expect to build up undisbursed loan commitments for the

~~CONFIDENTIAL~~

- 3 -

first several years - until the rate of disbursements in a year equals the rate of new commitments. We have now reached that point with respect to development loans outside of Latin America. We have not yet reached that point with respect to loans under the Alliance.

Attachments A and B show current commitments and the pipeline in somewhat more detail.

We will be glad to furnish any additional information you may wish.

David E. Bell
David E. Bell

Attachments

~~CONFIDENTIAL~~

Mutual Defense and Development Programs

RESERVATIONS/OBLIGATIONS

(Military Assistance figures as of March 31; Economic Assistance figures as of April 30)

	1963		1964	
	<u>Millions of Dollars</u>	<u>Percent of Availability</u>	<u>Millions of Dollars</u>	<u>Percent of Availability</u>
<u>Military Assistance</u>	1, 373. 8	86. 8	962. 6	80. 2
<u>Economic Assistance</u>				
Development Loans	517. 0	52. 1	593. 5	72. 3
Technical Cooperation	109. 8	43. 2	124. 8	57. 1
Alliance Loans	229. 3	53. 8	214. 4	45. 4
Alliance Technical Cooperation	80. 0	59. 5	64. 0	69. 6
Supporting Assistance	309. 3	70. 7	251. 3	72. 3
Other Programs	89. 5	42. 4	95. 6	49. 2
Sub-Total: Economic Assistance	<u>1, 334. 9</u>	<u>54. 4</u>	<u>1, 343. 6</u>	<u>62. 6</u>
Contingency Fund	61. 1	23. 4	7. 9	6. 2

Note: In fiscal 1964 there was an appropriation(not included in the above table) of \$131 million for the Social Progress Trust Fund, all of which has been obligated for transfer to the Inter-American Development Bank under the trust agreement.

Mutual Defense and Development Programs

END OF YEAR BALANCES ^{a/}
(millions of dollars)

	"Pipeline" (Unliquidated Commitments)				Uncommitted Carryover	Unexpended Balance
	Development Alliance		Other			
	Total	Loans	Loans	Economic		
<u>Military</u>						
6/30/63 actual	2395.9	-	-	-	25.8	2421.7
6/30/64 est.	2012.7	-	-	-	25.0	2037.7
<u>AID</u>						
6/30/63 actual	3429.1	2113.8	331.7	983.6	249.4	3678.5
6/30/64 est.	3547.9	2086.9	597.0	864.0	75.0	3622.9
<u>Contingency Fund</u>						
6/30/63 actual	209.1	-	-	209.1	127.1	336.2
6/30/64 est.	111.2	-	-	111.2	80.0	191.2
<u>SPTF</u>						
1963 actual	335.0	-	-	335.0	-	335.0
1964 est.	366.0	-	-	366.0	-	366.0
<u>Total</u>						
1963 actual	6369.1	-	-	-	402.3 ^{b/}	6771.4
1964 est.	6037.8	-	-	-	180.0	6217.8

a/ excludes Investment Guarantee Reserve (\$268.6 million in 1963 and \$273.2 million in 1964) and Excess Property Revolving Fund (\$4.1 million in 1963 and \$3.3 million in 1964) which are not available for program purposes.

b/ Composition of uncommitted carryover:

	<u>1963</u>	<u>1964</u>
Military Assistance	25.8	25.0
Economic Assistance		
Development Loans	96.2	-
Alliance Loans	92.0	50.0
Other	61.2	25.0
Contingency Fund	<u>127.1</u>	<u>80.0</u>
Total	402.3	180.0

OFFICIAL USE ONLY

In order to speed up the rate of disbursements and reduce the unexpended balance of funds in the A. I. D. pipeline at the end of the fiscal year, we have:

(1) Taken action to speed up the processing of vouchers so that the normal work in process of \$35 to \$50 million will be reduced to a minimum at the close of the fiscal year.

(2) Returned to the Treasury Department \$24 million in principal repayments and \$18 million in interest payments collected through March 31, 1964 in the Development Loan Fund Liquidation account - these being funds which A. I. D. cannot use without an appropriation.

(3) Arranged with the Treasury Department to remove from A. I. D. 's account \$545,000 of unexpended and unusable borrowing authority.

(4) Transferred \$1.2 million representing the current U. S. share of commitments to the Pan American Union for the Darien Gap Highway, from the A. I. D. appropriation account to a deposit account with the Treasury.

(5) Instructed the Department of Defense to record the maximum expenditures in the month of June for deliveries made in that month.

(6) Instructed Mission Directors to give their personal attention to speeding up program implementation to the greatest extent possible consistent with sound management.

THE WHITE HOUSE
WASHINGTON

May 13, 1964

MEMORANDUM FOR THE PRESIDENT

Re: Determination permitting military assistance to Laos

Here is a quite easy determination providing an expansion of our grant to Laos from \$10 to \$12.3 million. This increase is supported by persuasive argumentation from both David Bell and Bob McNamara, and in this case the politics of the situation seem to me to argue strongly in favor of approval. The situation in Laos may well come apart, but until it does, we must surely be clear and firm in support of the basic program.

If you approve, your signature goes on the paper under the tab.



McG. B.

May 13, 1964

MEMORANDUM FOR THE PRESIDENT

The attached draft letters, to be addressed to the heads of all agencies covered by the Gold Budget Procedure and to the independent regulatory agencies, were drafted in accordance with the recommendations of the Cabinet Committee on the Balance of Payments. They have been cleared by the interested departments. If you approve the text, they will be prepared for routine signature.

McG. B.

Approved _____

Not approved _____

Speak to me _____

May 13, 1964

MEMORANDUM FOR THE PRESIDENT

I enclose two memoranda submitted to me by AID in accordance with the arrangements I reported last week. At Tab A is a report on progress made in committing available funds. At Tab B is a paper showing specific actions taken to insure that expenditures take effect in Fiscal 64. The AID people are quite nervous about this second paper because they fear that Passman may find out about it and accuse us of cooking the books. But they understand clearly that we want to keep at it, and there will be further reports fortnightly.

McG. B.

May 13, 1964

MEMORANDUM FOR THE PRESIDENT

We have now heard from President Macapagal that he does not feel able to come in July. What has happened is that a leak on his visit in Manila caused some domestic criticism because Macapagal has already taken more trips in the last three years than any of his predecessors. We rather think that he wants to put it off and come to the United States in the summer or early fall of 1965 just before his own elections, and as far as we can tell, there is no anti-U. S. implications in this decision.

McG. B.

May 13, 1964

MEMORANDUM FOR
THE PRESIDENT

You may want to have it in the back of your mind that a most important Presidential election is coming in September in Chile. The attached memorandum from Tom Mann to the Secretary of State gives the background on this one. In essence, the problem we face is that a very popular and attractive candidate named Allende, who has thrown in his lot with the Communists, has more than a fighting chance to win. We have a coordinated Government-wide program of action to strengthen his opponent and support actions in Chile which will work to the advantage of those now in power. It is a highly fluid situation and one in which there may have to be further action as we get into the summer. I have been very much encouraged by the determination and unity which all Departments of the Government are showing on this one, and we will be watching it very closely, but I do think you ought to know about it yourself.

McG. B.

DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 99-37
By is, NARA Date 1-11-00

May 13, 1964

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THE PRESIDENT

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DECLASSIFIED
E.O. 12958, Sec. 3.6
NLJ 99-37
 By , NARA Date 1-11-00

May 13, 1964

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McG. B.

May 12, 1964

MEMORANDUM FOR THE PRESIDENT

I attach a letter accepting Teodoro Moscoso's resignation, which he ought to have for his files and which we can use to good effect in Latin America. The attached cable shows his message to you. There was a routing mix-up in AID on his message, which accounts for the delay in drafting this answer.

McG. B.

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May 12, 1964

MEMORANDUM FOR

THE PRESIDENT

The attached draft letter to Prime Minister Eshkol has the general approval of Harriman, Komer and Feldman -- which is a minor miracle of coordination in itself.

This message is designed to clear the air on the fundamental question of where the tanks come from before Eshkol's visit. It will not give pleasure in Israel, but we are all agreed that it is best to bit that bullet now. As soon as the letter goes, I will talk to Abe Ribicoff, and Averell will talk to Abe Frimberg who is our most influential friend in the American Jewish community. We will emphasize two points: (1) the United States believes a way can and must be found to meet Israel's legitimate defense needs; (2) it is fundamental that there be no public discussion of this problem at this time in the United States, lest the only good and effective means of meeting the problem should be spoiled.

If you approve this draft, I think it will be important to take one more reading with the British before the letter actually goes. This game will work only if London continues to play ball, and we must not give them an excuse for saying that we are running too fast at their expense.

I will make it my business to get your reaction on this one tomorrow morning.

McG. B.

~~SECRET ATTACHMENT~~

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THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

May 12, 1964

MEMORANDUM TO THE PRESIDENT

SUBJECT: Schlesinger airgram

I attach two letters which I will send to Arthur Schlesinger (Tab A) and Tom Finletter (Tab B) if you wish. My own recommendation is that it may be better to send one to Finletter, and let the one to Schlesinger go. Arthur is a most curious combination of childishness and talent, and since I believe that he honestly did not intend the airgram to be critical of you personally, I think a letter from me on the subject would probably stir him up and induce a mood of petulance which would not be helpful to us or to him in the long run. Nevertheless, he was clearly off base, and if you want the letter sent I will of course send it. Or alternatively, and perhaps better, I could make the same point to Arthur by conversation when he gets back next week.

You may not have seen the whole of his message (Tab C), and you may find it helpful to have the full text available in deciding what you want done.

McG. B.

McG. B.

Send both letters _____

Send the letter to Finletter, and speak to Schlesinger _____

File these papers, and get Schlesinger on board the new spirit of the Alliance as your friends in the Times and the Post are now praising it _____

*✓ A BT by phone
Mick 03*

DECLASSIFIED
E.O. 12958, Sec. 3.5
NSC Memo, 1/30/95, State Dept. Guidelines
By *JW*, NARA, Date *10-15-98*

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A

THE WHITE HOUSE
WASHINGTON

May 12, 1964

Dear Arthur:

Your notes on the Italian situation, sent by airgram through Finletter's office, have come to the President's attention, and I must report to you that he was considerably annoyed by the use of government channels for transmission of a message which suggests a critical view of U. S. policy toward Brazil. The President has asked me to inform you that the policy set in the Brazilian case was determined almost entirely by the recommendations of Lincoln Gordon, whose commitment to democratic values and to the policies of President Kennedy himself can hardly be doubted.

I have explained to the President that the main purpose of your message was to report on the situation in Italy, a situation which you followed closely for three years. I have also told the President that I am sure that your reports were of interest to those to whom the airgram was addressed, but the President remains of the view that if one is reporting through official channels, one ought not to engage in sarcasm about Administration policy.

Speaking personally, I think that the lessons of this little episode are two: first, a private citizen ought to use private channels of communication, except in very special circumstances; and, second, since there is every reason of purpose and policy for those of us who loved President Kennedy to give our full support to President Johnson, it is important not to do little things of this sort which cause justified resentment. You and I know how President Kennedy would have felt in a similar situation, and I am sure you know better than I what FDR's reaction would have been.

Sincerely,

McGeorge Bundy

The Honorable Arthur Schlesinger
1180 18th Street
Washington, D. C.

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B

THE WHITE HOUSE

WASHINGTON

May 12, 1964

Dear Tom:

I am writing to report to you that a copy of POLTO A-953, an airgram reporting Arthur Schlesinger's views on the Italian situation, came to the President's attention and annoyed him considerably. He did not understand why U. S. official channels should be used for an extended political report by a private citizen, and he was particularly irritated by the use of government channels for the expression of implied criticism of U. S. policy, in paragraph 7 of this airgram.

I think the President would prefer that such private criticism of private citizens be expressed in other channels than those available to you officially as his Ambassador.

I have explained to the President that Arthur Schlesinger's views on the Italian situation are probably of interest to most of those on the address list which he set up for this airgram, but the President remains persuaded that this interest could have been met in other ways, and of course my explanation does not touch the language of paragraph 7.

Sincerely,

McGeorge Bundy

The Honorable Thomas K. Finletter
U. S. Representative to the North Atlantic
Treaty Organization
Paris, France

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C

ORIGIN/ACTION

DEPARTMENT OF STATE

AIRGRAM

Art 43F
Pol 1 IT Bundy
XR Pol 7 US
FOR RM USE ONLY

EUR-6

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RM/R	REP	AF
1		
ARA	EUR	FE
4		
NEA	CU	INR
		5
E	P	IO
12	1	2
L	FBO	AID
2		
S/S	G	S/P
27	1	1
AGR	COM	FRB
INT	LAB	TAR
TR	XMB	AIR
ARMY	CIA	NAVY
	10	
OSD	USIA	NSA
16	8	3
	JUS	NSC
	1	6

POLTO A-953

~~CONFIDENTIAL~~

57 XR Pol 15-1 US/Kennedy

TO : DEPARTMENT OF STATE

INFO : ROME for Reinhardt
PARIS for Bohlen

HANDLING INDICATOR
XR Pol 15-1 FR
GROUP 3

Downgraded at 12-year intervals; not automatically declassified

FROM : USRO, PARIS

DATE: April 23, 1964

SUBJECT: Notes on the Italian Situation
from Arthur Schlesinger, Jr.

DECLASSIFIED
E.O. 12958, Sec. 3.6

REF :

NLI 99-36
By is, NARA Date 3-10-00

(4) The following impressions are based on a visit to Rome, April 17-21, primarily to participate in a conference sponsored by the Olivetti Foundation on The Kennedy Years. In the course of this visit, I had rather long talks with Saragat, Nenni, La Malfa and Fanfani, a brief talk with Moro and extensive talks with intellectuals (from Il Mulino, Nord e Sud, Il Punto, L'Espresso), writers (including Moravia), newspapermen and professors.

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The Atty. Gen.

USIA:

- Wilson
- Sorensen

1. There is a considerable malaise at the moment in Rome. So far as I can see, it is based primarily on two things: (a) apprehension over the economic situation; and (b) a sense that the center-left government has not got through to the Italian people. The optimists think that both problems will solve themselves in due course. The pessimists think that the situation may become acute, break down into violence and bring about a revolutionary crisis.

2. Saragat said, "The political problem worries me more than the economic problem." I am not certain what he meant by this; but I gather that he meant two things: (a) Fanfani (see below); and (b) the general condition of political anomie in the country. My own impression is that Italy is beginning to approach the political state of France before De Gaulle — that is, there is an increasing dissociation between the political world and

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FOR DEPT. USE ONLY

In Out

FORM 4-62 DS-323

Drafted by: Arthur Schlesinger, Jr. 4/22/64

Contents and Classification Approved by: CM/TKFinletter

Clearances:

OS: [Signature]

(so far as most Italians are concerned) the 'real' world. Italian politics is really determined by about 2,000 people through the country. It has not succeeded in touching the vital concerns and interests of the great mass of the people, and will not do so until the active political community of 2,000 is enlarged at least to about 25,000. (The Il Mulino study for the 20th Century Fund will reveal new and striking facts about the composition of the political class in Italy.) Neither Fanfani nor Moro have been interested, as prime ministers, in doing much about this; both are members of the club of insiders and have operated by rearrangement and manipulation. Moro is one of those high-minded talkers, overflowing with abstractions and cliches, poor on television and apparently incapable of exciting the imagination or enlisting the enthusiasm of the youth, the intellectuals or the workers. His government is doing very little in the way of public education and leadership.

3. Most people think (or say they think) that the economic crisis can be brought under control, though everyone feels that precious time was lost in the interregnum between Fanfani and Moro. What will happen if, however, the economic crisis is not brought under control? What will happen in the event of a bad recession and widespread unemployment? Nearly everyone thinks that the immediate beneficiaries would be the right, and not the left; as Nenni said, "The right would gain now, the Communists three years from now." Depression, most feel, would bring about a polarization in Italian politics, put the center-left out of business, bring in the right, drive the democratic left toward the Communists, and prepare the way for a popular-front movement in a few years. The extreme pessimists think that the right would try to rule by violence and would provoke counter-violence from the left.

4. What form would a swing to the right take? At this point, everyone starts talking about De Gaulle. It may be that De Gaulle's influence is waning elsewhere in Europe, but at present he is the specter haunting Italy. Nenni anticipates the possibility of what he calls a "soft Gaullism" — i.e., Gaullism without a De Gaulle. This soft Gaullism would have two main components — a conservative domestic policy and an 'independent' foreign policy, that is, a foreign policy following the De Gaulle line and aiming thereby to win the support, or at least the tolerance, of the PCI. Nenni said, "De Gaulle is the cancer, the center of infection." Saragat said, "The great temptation here is the temptation of De Gaulle — and the American acceptance of the military coup in Brazil has encouraged the right to believe that America would accept a similar development in Italy."

5. Who would try to come to power on this rightward swing? The universal candidate is Fanfani. Saragat, Nenni, La Malfa all feel that Fanfani has decided to make a bid for power by putting

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together a combination of the CD right and the neutralist left under the banner of an 'independent' policy for Italy. I had a long talk with Fanfani and came out even more baffled than I went in. Fanfani insists that he is all for the center-left, that the center-left is the only possible formula for stable government in Italy. But every specific proposal he makes can only have the effect of overthrowing the present government. Thus he begins with the gap between the political world and the real world in Italy. The reason for this, he says, is that the parties of the center-left have lost their identities and have thereby lost their constituents. The great need, he says, is for each party to strengthen its ties with its own people by acting according to its own principles — the Christian Democrats must start acting like Christian Democrats, the Socialists like Socialists, etc. In this way, each party can renew its connections with the people and refresh its own constituency.

I said that a coalition could not exist without a common program, and there could be no common program if each party pursued its own special program; surely the logic of his argument, I said, was the disruption of the coalition and the establishment of a monocolorist government. Fanfani blandly denied this and replied that a coalition could not survive unless it expressed the active will of the constituent groups.

Fanfani is exceedingly sensitive over charges that the economic policy of his government is responsible for Italy's present troubles. He argues, not unreasonably, that the basic problem is the digestion of years of exuberant growth, and that the critical time for action was in 1963 when, in effect, Italy had no government at all. He is scornful of the remedial measures proposed by the Moro government and says that economic planning cannot work without compulsion.

I left Fanfani with the impression that he thinks the center-left under any other leadership but himself is no good; that behind the facade of political argument, partly cogent and partly specious, he is in a rule-or-ruin mood; that he will go to the CD convention and say that the center-left formula is destroying the CD party; and that he is prepared to lead the CD right in an attempt to form a monocolorist government. I also have the impression that his speech was ill-timed, and that he exposed his hand too soon. However, despite the fact that few people like or trust him, he has important assets: his personal nerve and force, his skill as an organizer and the absence of any stronger leaders to the right. All these things make it not impossible that Fanfani, three years ago an architect of the opening to the left, may now become the leader of an opening to the right.

6. Despite all this, the government itself, so far as I could see, is apprehensive rather than demoralized. The feeling is that, if the economic situation gets under control and if the US does not

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~~CONFIDENTIAL~~

Page 4, POLTO A-953 from USRO, Paris

desert it (either by abandoning the support of the center-left or by cozying up to De Gaulle), the center-left can see its present troubles through. Domestic policy is the big thing in Italy today; and, though there is incessant talk of De Gaulle, it is mostly in terms of his impact on the domestic situation.

Saragat has admiration for Schroeder, feels that Italy is the pivot of Europe and argues that, if the center-left can work in Italy, it will strengthen Schroeder and Defferre and confront all western Europe with the choice between democracy and Gaullism. The MLF seems not to be much in people's minds. Saragat said, "I am for the MLF," but obviously supposes that this will not be an urgent matter for several months. Saragat also said that he had discussed the MLF and British membership in the common market with Wilson and Gordon-Walker and found them more open-minded on both subjects than he expected. Nenni said, "The key to the MLF is the British"; a decision on the part of the British Labour Party to go ahead with the MLF would be "a shield" behind which Italian action would be possible without exposing the PSI to damaging Communist counterattack. He also assumes that Italy would not be confronted with the need for a decision until after the British election. I talked to people from Avanti (the PSI newspaper) who seemed reasonable about the MLF and considerably attracted by the idea that the MLF might be an invaluable counter in our bargaining over disarmament with the USSR.

7. I encountered widespread concern over supposed new directions in US policy. I did my best to reassure everybody that the departure of Kennedy people from the Administration did not imply disagreement with the policy of President Johnson. The post-Kennedy Latin American policy seems to cause particular dismay. Several people beside Saragat mentioned US policy toward the Brazilian coup as possible evidence of a change from the Kennedy policy of supporting democratic governments back to the Eisenhower-Dulles policy of backing military regimes of the right. I tried to explain why the US Government had rushed to embrace the new Brazilian regime instead of following the Kennedy policy of using a suspension of relations as leverage on that regime; and no doubt could have done this better if I understood the reasons for the new policy myself.

8. There is continuing puzzlement about the reactions of the US Government to the murder of President Kennedy. Several people mentioned to me a statement attributed to Chief Justice Warren to the effect that the real truth about Oswald could not be published for a century because it involves vital questions of US security. The Buchanan series in L'Express of Paris has strengthened misgivings about the readiness of the US Government to tell the truth about Oswald and Ruby. I found I could silence objections (though I doubt whether I persuaded the objectors) by saying (a) that no one can comment intelligently on the case until the Warren Commission

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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Page 5, POLTO A- 953 from USRO, Paris

report is in, (b) that the man who more than anyone else in the world is determined to know the whole truth is the Attorney General of the United States, and that it is inconceivable that the US Government would cover up for anybody, and (c) that the Buchanan pieces assume that the Dallas police were capable of conceiving and carrying out one of the most complicated and terrible conspiracies in history, while all the evidence (including that in Buchanan's own articles) shows the Dallas police to be an unsurpassed collection of bunglers, stumblebums and clowns.

FINLETTER

~~CONFIDENTIAL~~

Ziggy rpt - Bundy

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THE WHITE HOUSE
WASHINGTON

May 11, 1964

MEMORANDUM TO THE PRESIDENT

SUBJECT: Report from French foreign
correspondent

The attached paper comes from Adelbert de Segonzac, known as "Ziggy," who is the most knowledgeable French foreign correspondent here in Washington and who has just been in Paris for several weeks. It is a summary of what he learned from a number of Ministers and others close to General de Gaulle. It sounds very near the truth to me, and I think you will find it interesting.

On page 2 he raises a question about specific arbitrary actions by U. S. forces, and I have sent a question to Cyrus Vance to get the facts on this one.

McG. B.

McG. B.

~~CONFIDENTIAL~~ attachment

May 4, 1964.

de GAULLE

de Gaulle has policies but no plans, as yet, to develop them. Everyone I have talked to, members of his Government close to him, of his entourage, agrees. His method, they say, is similar to throwing a stone in the water and then to wait and see how the ripples grow, and act accordingly. When he decides on a policy he certainly has a vision of its evolution, but he does not tell anyone about it. Recognition of Red China, which he has considered as a necessity for many years, reestablishment of French prestige in Latin America, are policies. So is his attitude on Vietnam and towards NATO. But he has not yet decided how he is going to reap the benefits. His aim essentially is to push France in the forefront and to demonstrate, by the initiatives he takes, that she is one of the leading powers of the world. He is convinced, for example, that by recognizing China, France will be able to facilitate the inevitable rapprochement which, he believes, has to come between that communist country and the United States.

de Gaulle, I was told, has now defined all the policies he considers as essential. There will be no more surprises. The General is now going to see how he can build on the foundations he has laid. He thinks that in the next few months Franco-American relations, having reached their lowest ebb, will start improving again because the United States will by then accept the fact of France's independence and of its new policies. France does not

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He more than ever believes that France must have an independent nuclear force, both as a means of defense and as a political weapon in international bargaining. But it is proving much more costly than originally planned. And to pursue its development, some other aspects of armament have to be sacrificed, such as an intermediary weapon between the Mirage-IV planes and atomic submarines equipped with Polaris-type missiles, and also probably a reduction in the number, already very small, of army divisions. As far as NATO is concerned, he does not like its actual setup and has told Ben Bella, the Algerian Prime Minister, and other visitors that he considers "it is dead". But he has no alternate plan to submit, though he would favor some form of limited command which would prepare the coordination of independent forces belonging to a traditional alliance in case of war.

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THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

May 11, 1964

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Informal Meeting with Ambassadors in the Cabinet Room
at 4:45 P.M.

1. At 4:45 P.M. you will be meeting with the Latin American Ambassadors and with the President of the Inter-American Alliance for Progress Committee (CIAP). The meeting will provide an opportunity to make it clear that the U.S. is not down-grading the Alliance and the struggle for democracy in Latin America. In view of Moscoso's resignation, it would also be timely to re-emphasize our support of CIAP.

On the Latin American side we look to Dr. Sanz (CIAP), Ambassador Gutierrez (Chile), and Ambassador Correa (Ecuador) to set the right tone.

2. You may want to make the following points:

(a) The Alliance is not a U.S. aid program. While we will continue to extend a helping hand, the success or failure of the Alliance depends on leadership in Latin America.

(b) The direction and guidance of the Alliance must be multilateral. We are delighted with the progress Dr. Sanz has made already in his work as President of the CIAP, and we intend to give the Committee our fullest support.

(c) The U.S. is dedicated to the success of the Alliance. We realize we have had problems on both sides -- loan procedures, project preparations, reforms. But the Alliance now has a record of achievement to point to -- houses built, new water systems, development plans submitted to the nine wise men, tax and land reforms. Is the Alliance, its record, and its meaning, catching on in your countries? (Ambassadors Gutierrez and Correa). What else should we all be doing?

3. The Ambassadors will be led into the East Room at about 5:15 P.M. You will enter the East Room at 5:30 and give your speech (attached as Tab A).

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After the speech you will be signing documents pertaining to 12 projects affecting 14 countries; a list of the projects is attached at Tab B. Once the signing ceremony is completed, the group will retire to the Dining Room for a short reception and drinks.

McG. B.

~~CONFIDENTIAL~~

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B

List of Projects

Brazil	- \$6.5 million for malaria eradication
Bolivia	- \$400,000 for agricultural productivity centers
Chile	- \$7 million for port construction
Colombia	- \$1.3 million for rural electrification cooperatives
Costa Rica	- \$1.6 million for land surveys
Dominican Republic	- \$4.6 million for housing investment guarantees
Ecuador	- \$2,170,000 for Food for Peace
Guatemala	- \$2 million for feasibility studies
Mexico	- \$2 million for agricultural center
Nicaragua	- \$400,000 for rural electrification cooperatives
Peru	- \$8.3 million for agricultural productivity and reforms
Central American Bank for Economic Integration	- \$10 million for industrial re-lending

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May 11, 1964

MEMORANDUM TO THE PRESIDENT

SUBJECT: Report from French foreign
correspondent

The attached paper comes from Adelbert de Segonzac, known as "Ziggy," who is the most knowledgeable French foreign correspondent here in Washington and who has just been in Paris for several weeks. It is a summary of what he learned from a number of Ministers and others close to General de Gaulle. It sounds very near the truth to me, and I think you will find it interesting.

On page 2 he raises a question about specific arbitrary actions by U. S. forces, and I have sent a question to Cyrus Vance to get the facts on this one.

McG. B.

~~CONFIDENTIAL~~ attachment

May 11, 1964

Talking Points for the President's Meeting at 4:45 p. m.

I am obliged that the Ambassadors from the countries which are our partners in the Alliance for Progress and Dr. Sanz have met here today to exchange thoughts about the Alliance.

First of all, I wish to pledge to you the continued dedication of the U. S. to the Alliance for Progress program as it was outlined in the Punta del Este Charter. We are determined to make the Alliance succeed and to increase the speed of progress.

We know that it has in the past taken our bureaucracy too long to reach decisions about particular projects and loans and grants. We have already taken steps to coordinate better the Latin American Bureau of the State Department and the Latin American division of AID by establishing a single line of command and reducing the number of clearances and vetoes that are required in reaching decisions.

We also intend to review, step by step, the handling of applications to eliminate unnecessary delays and to speed up the decision-making process on all applications for aid assistance.

There is another problem which I know is of concern to you -- the problem of simplifying requirements of existing procedures which relate to our balance of payments difficulties. I have asked Mr. Mann to give this priority and to make a report to me of what we can do to simplify our procedures as well as speed them up.

We are going to do our part in regard to these and other problems which exist and we know that we can rely on other American Republics to do their part in preparing the right kind of applications and in taking the steps within each country which are so vital to the success of the Alliance.

The Alliance is not a program of U. S. aid. It is a partnership venture in which each of our countries must play its full part if we are to succeed.

It is in the area of better understanding between our peoples and our governments and a better coordination of our respective efforts in support of the Alliance that we look to Dr. Sanz and his Inter-American Committee for leadership. We have been sorry to lose the important help of Teodoro Moscoso on this committee, but we are hopeful that an appropriate American successor can be found very promptly indeed. *We have a strong candidate in mind + I may be able to make an announcement later this afternoon.* I would be glad to hear from you your views on what the American community of nations can do to live up to the ideals of the Alliance and to the hopes of peoples throughout the Hemisphere.

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THE WHITE HOUSE
WASHINGTON

May 11, 1964

MEMORANDUM TO THE PRESIDENT

Walt Rostow is on an airplane on his way back from Atlanta, and will not be in until 5:00 p.m. We have made arrangements to get in touch with him the moment he lands, and meanwhile Tom Mann is clearing his name with those concerned who may be involved with CIAP nominations. With luck you should be able to announce the appointment in connection with your public speech at 5:30. Meanwhile I have redesigned the next to last paragraph of Tom Mann's talking points to take account of this possibility. The redrafted talking points are attached at Tab A.

McG. B.

McG. B.

May 4, 1964.

de GAULLE

de Gaulle has policies but no plans, as yet, to develop them. Everyone I have talked to, members of his Government close to him, of his entourage, agrees. His method, they say, is similar to throwing a stone in the water and then to wait and see how the ripples grow, and act accordingly. When he decides on a policy he certainly has a vision of its evolution, but he does not tell anyone about it. Recognition of Red China, which he has considered as a necessity for many years, reestablishment of French prestige in Latin America, are policies. So is his attitude on Vietnam and towards NATO. But he has not yet decided how he is going to reap the benefits. His aim essentially is to push France in the forefront and to demonstrate, by the initiatives he takes, that she is one of the leading powers of the world. He is convinced, for example, that by recognizing China, France will be able to facilitate the inevitable rapprochement which, he believes, has to come between that communist country and the United States.

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